Press Release

Office of the Kansas Securities Commissioner
618 S. Kansas Avenue
Topeka, Kansas 66603-3804

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Contact: Frances Brunner, Associate General Counsel
Phone: (785) 296-3307

Goodland Resident Found Guilty of Securities Fraud

Topeka, Kansas (September 27, 2002)-- Phillip R. McGuckin, Goodland, pleaded no contest to one count of securities fraud and one count of conspiracy to commit securities fraud in Sherman County District Court on September 25. Sentencing is scheduled for December 9 before the Honorable Jack Burr.

McGuckin, 66, owned and operated Triton Exploration, Inc.; a company which sold interests in oil and gas leases in Gove, Hamilton, and Sumner Counties.

An investigation by the Office of the Kansas Securities Commissioner confirmed that McGuckin was actually operating a Ponzi scheme. A Ponzi scheme is a multi-level system in which funds from later investors are "recycled" to pay promised returns to early investors. Satisfied investors will often tout their "profits," which lures new investors into the scheme.

Fifty-two people invested approximately $1.2 million in Triton. Less than 30% of the investors' funds were used for the production of oil or gas. Some investors received checks that were characterized as profits from production although the leases did not produce revenue. McGuckin also converted a substantial portion of the investors' funds to his personal use.

According to Securities Commissioner David Brant, "Oil and gas leases continue to pose high risks for investors, particularly investors with little experience in the industry. Unfortunately, I continue to see cases in which these old-fashioned frauds are perpetrated on new investors."

The Securities Commissioner urges all Kansans to"Investigate before you invest." Contact the Office of the Securities Commissioner at 800-232-9580 to check if an investment opportunity is registered and if the broker or investment adviser is licensed to sell securities in Kansas.